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14
15 WILLIAMS-SONOMA, INC.,

16 Plaintiff,

17 v.

22 AMAZON.COM, INC.,

23 Defendant.

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28
15 UNITED STATES DISTRICT COURT
16 NORTHERN DISTRICT OF CALIFORNIA
17 SAN FRANCISCO DIVISION

19 Case No.: 18-cv-07548-EDL

20 FURTHER JOINT CASE
21 MANAGEMENT STATEMENT

22 Date: January 10, 2020
Time: 2:00 p.m.
Ctrm: F
Judge: Honorable Joseph C. Spero

23 Complaint Filed: December 14, 2018

FURTHER CASE MANAGEMENT STATEMENT

Pursuant to Civil L.R. 16-10(d), and the Court’s December 9, 2019 Minute Order, Plaintiff Williams-Sonoma, Inc. (“WSI”) and Defendant Amazon.com, Inc. (“Amazon”) (collectively, “the Parties”), by and through undersigned counsel, jointly submit this Further Joint Case Management Statement.

1. BACKGROUND OF THE CASE & CURRENT CLAIMS

WSI began operating an online storefront under the name WILLIAMS-SONOMA in 1999, and it owns federal trademark registrations covering the provision of certain retail services under the WILLIAMS-SONOMA mark. WSI claims that its rights in the name WILLIAMS-SONOMA are infringed by the way that Williams-Sonoma goods are displayed when they are listed for resale by third parties on Amazon.com and by the way the WILLIAMS-SONOMA mark is used in Amazon.com advertising. WSI does not sell its goods on Amazon.com directly.

WSI also sells items under its “west elm” brand, including its ORB chair, for which it also has a design patent (Patent No. D815452), and its SLOPE chair. Among the items Amazon has sold are the “Rivet Modern Upholstered Orb Office Chair” and a “Rivet Industrial Slope Top-Grain Leather Swivel Office Chair.” WSI claims trademark rights in the terms ORB and SLOPE.

On December 14, 2018, WSI filed a Complaint alleging seven causes of action against Amazon based on the manner in which certain Williams-Sonoma items are advertised, offered for sale, and sold on Amazon.com and Amazon's sale of the Rivet Modern Upholstered Orb Office Chair and the Rivet Industrial Slope Top-Grain Leather Swivel Office Chair. Those causes of action are for: (1) infringement of the '452 Patent, (2) federal trademark infringement and trademark counterfeiting under Section 32(1) of the Lanham Act, (3) federal trademark dilution of the WILLIAMS-SONOMA mark, (4) unfair competition under Section 43(A) of the Lanham Act, (5) common law unfair competition/trademark infringement, (6) dilution under California law, and (7) violation of California unfair competition law (ECF No. 1).

On June 3, 2019, the Parties stipulated to a request by WSI for leave to amend its Complaint to add claims that certain other items sold by Amazon under its “Rivet” furniture line infringe WSI’s Patent Nos. D818,750, D836,822, and D836,823 for a table, a floor lamp, and a

1 table lamp, respectively (ECF 49). The Court granted the stipulation and WSI amended its
 2 Complaint to add four additional patent infringement claims on June 21, 2019. (ECF 50 & 51). In
 3 total, WSI asserts that the following five Amazon Rivet products infringe its design patents: (1)
 4 the Rivet Modern Upholstered Orb Office Chair (the “Rivet Orb Chair”); (2) the Rivet Retro
 5 Two-Orb Tree Lamp (the “Rivet Tree Lamp”); (3) the Rivet Modern Glass Globe and Modern
 6 Table Lamp (the “Rivet Table Lamp”); and (4) the Rivet Bowlyn Mid-Century Coffee Table (the
 7 “Rivet Bowlyn Coffee Table”); and (5) the Rivet Mid-Century Modern White Marble and Walnut
 8 Coffee Table, 24” (the “Rivet Marble and Walnut Coffee Table”).

9 **2. STATUS OF DISCOVERY & PROPOSED CASE SCHEDULE**

10 **Status:** On May 15, 2019, the Court issued a Case Management and Pretrial Order
 11 limiting the Parties to 30 interrogatories and 10 depositions, including up to 14 hours of 30(b)(6)
 12 deposition, without prejudice to seeking leave for further depositions to the extent permissible
 13 under the federal rules (ECF 46). Since then, the Parties have engaged in substantial discovery.
 14 To date, WSI has produced 44,754 pages of documents and Amazon has produced 37,500 pages
 15 of documents. WSI has propounded 14 interrogatories on Amazon and Amazon has propounded
 16 20 interrogatories on WSI. WSI has taken more than 15 hours of 30(b)(6) depositions regarding
 17 how the Amazon.com platform operates, the manner in which third-party brands are displayed on
 18 the Amazon.com platform and in advertising, and the “fulfilled by Amazon” program. Amazon
 19 propounded 30(b)(6) deposition topics on WSI on December 11, 2019, and WSI informed
 20 Amazon that it is identifying witnesses and seeking dates for these depositions. The Parties have
 21 yet to take any individual fact witness depositions. The Parties have also propounded document
 22 requests and entered into an ESI protocol pursuant to which both Parties have produced a
 23 substantial number of documents. Finally, the Parties have each served several third-party
 24 subpoenas.

25 Subsequent to this Court’s hearing of WSI’s motion to compel Amazon to produce
 26 specimens of the accused products, Amazon’s third-party vendors agreed to provide specimens of
 27 the final two accused products and they are now in transit. Amazon and WSI await receipt of
 28 these specimens.

Proposed Schedule:**WSI's Position**

The parties previously had a mediation deadline of December 2, 2019. WSI discussed its position with Amazon that mediation and further settlement discussions would not be productive until certain discovery was complete, including Amazon's production of documents pursuant to the ESI protocol that resulted after WSI filed a motion to compel Amazon's email communications. On November 20, 2019, the parties stipulated to and received an extension of the mediation deadline to March 15 (ECF 67). Amazon has since produced a large number of documents, which WSI is currently reviewing, and the Parties are conferring on a date for mediation to occur before the March 15 deadline. WSI proposes the following extension to the existing deadlines in order to accommodate the additional discovery each side intends to take:

| Event | Current Deadline | New Deadline |
|--|-------------------------|---------------------|
| Non-Expert Discovery | February 24, 2020 | April 6, 2020 |
| Initial Expert Disclosures shall be no later than | March 2, 2020 | April 13, 2020 |
| Rebuttal Expert Disclosures shall be no later than | April 1, 2020 | May 13, 2020 |
| Expert Discovery | April 22, 2020 | June 3, 2020 |
| Dispositive motions | May 5, 2020 | June 16, 2020 |
| Oppositions to Dispositive Motions | May 26, 2020 | July 7, 2020 |
| Replies to Dispositive Motions | June 9, 2020 | July 21, 2020 |
| Last Day for Hearing Dispositive Motions | June 30, 2020 | August 11, 2020 |
| Jury Trial | September 14, 2020 | October 26, 2020 |

Amazon's Position

Serious settlement discussions have yet to occur in this case. WSI sent Amazon a settlement proposal on April 2, 2019, and Amazon sent a counter-proposal on July 12, 2019. WSI never responded to that counter-proposal. Additionally, while the parties previously had a mediation deadline of December 2, 2019, WSI asked to move the deadline to March 15, 2020. While Amazon was ready to mediate by December, Amazon believed any mediation would likely

1 prove unproductive if WSI was not also ready to mediate. Given that Amazon has produced
 2 additional documents since WSI asked to move the mediation deadline, Amazon believes that
 3 settlement discussions could prove fruitful at this time and that it makes sense for the parties to
 4 mediate before expending further resources, with a further case schedule to be set following such
 5 a mediation.

6 That said, if WSI is not ready to engage in settlement efforts, or the parties cannot reach a
 7 reasonable resolution, Amazon is ready and willing to litigate this case to judgment. Fact
 8 discovery is currently set to close February 24, 2020. The parties have not completed document
 9 discovery, WSI has not provided Amazon with dates for the 30(b)(6) deposition that Amazon
 10 requested in early December, and neither side has yet noticed a non-30(b)(6) fact deposition.
 11 Accordingly, if the parties are going to litigate this case rather than engage in settlement
 12 discussions, Amazon agrees with WSI that an extension of the fact discovery deadline will likely
 13 be necessary.

14 WSI did not send Amazon its proposed schedule until after noon on January 2, 2019, the
 15 day before this statement was due, and Amazon has not had adequate time to review and consider
 16 it. Accordingly, the parties should meet and confer to attempt to reach agreement on a reasonable
 17 proposal to present to the Court.

18 **30(b)(6) Depositions:**

19 *WSI's Position*

20 WSI took early 30(b)(6) depositions in order to understand how the Amazon.com platform
 21 operates so that it could, in turn, obtain a basic understanding of the types of documents and
 22 individuals with relevant information. Amazon's witnesses were not prepared to testify on a
 23 number of topics and the parties engaged in meet and confer regarding additional deposition time.
 24 In addition, from those depositions and Amazon's document production, WSI has determined that
 25 it will need additional 30(b)(6) deposition discovery and depositions of individual fact witnesses
 26 regarding aspects of the Amazon.com platform such as the Brand Registry, the Fulfilled by
 27 Amazon program, variable pricing, display advertisements, and cross-channel marketing.
 28 Further, WSI expects it will need 30(b)(6) deposition time regarding its claims with respect to

1 Amazon's Rivet products. In the Parties' initial case management statement, WSI requested four
 2 days of 30(b)(6) deposition testimony in light of its need first to understand how the Amazon
 3 platform operates, and then to take discovery on its substantive claims. At the time the Court
 4 granted 14 hours of 30(b)(6) deposition testimony leaving the window open for WSI to request
 5 additional deposition time as needed. WSI has now used just over 15 hours of 30(b)(6)
 6 deposition time on how the Amazon platform operates¹ and re-raises its request for a total of four
 7 days (28 hours) of 30(b)(6) deposition testimony for each side.

8 On December 11, Amazon requested dates for its first 30(b)(6) depositions. The holiday
 9 months are by far the busiest time for WSI, but it has been working diligently on determining the
 10 appropriate witnesses and dates for those depositions and the parties discussed holding the
 11 depositions after the case management conference.

12 Amazon complains below that WSI has not previously met and conferred regarding the
 13 need for additional deposition time and so an order from the Court is inappropriate. WSI notes
 14 that this is the first time Amazon has requested to have its 30(b)(6) depositions completed by
 15 January – indeed, the parties have been (and WSI intends to continue) meeting and conferring
 16 about dates for these depositions. Moreover, Amazon's request that such depositions occur this
 17 month is inconsistent with its positions on mediation and discovery.

18 *Amazon's Position*

19 WSI has not previously raised with Amazon its intent to ask the Court for additional
 20 deposition time. As to the meet and confer discussion that WSI references above, WSI claimed in
 21 September and October of 2019 that certain of Amazon's 30(b)(6) witnesses were not adequately
 22 prepared, and requested 3-4 hours of additional deposition time on certain topics. While Amazon
 23 disagreed, to avoid burdening the Court with unnecessary disputes, it suggested a limited, mutual
 24 expansion of the time limits for 30(b)(6) depositions, and offered to put up additional witnesses
 25 on certain narrow subject matters. Amazon made that proposal on October 14, 2019, and WSI
 26 never responded. That discussion had nothing to do with WSI's current request to **double** the
 27 time limit for 30(b)(6) depositions so that it can take depositions on topics not covered by its first

28 ¹ There is a dispute between the Parties over the adequacy of preparation of Amazon witnesses.

1 deposition notice. Accordingly, the most that the Court should order now is that the parties meet
 2 and confer.

3 In any event, any request for additional deposition time is—at best—premature. Amazon
 4 requested dates for the 30(b)(6) depositions of WSI’s witnesses on December 11, and WSI has
 5 yet to provide Amazon with a single date. If the parties are going to litigate this case, rather than
 6 attempt to resolve it through mediation, WSI should be ordered to provide dates for its witnesses
 7 such that at least the 30(b)(6) deposition requested in December can be completed by the end of
 8 January. After those depositions are held, the parties should meet and confer about whether a
 9 mutual expansion of the time limit for 30(b)(6) depositions is warranted. If the parties cannot
 10 agree, WSI can file a motion pursuant to FRCP 30(a)(2)—the standard for which WSI does not
 11 even discuss in this CMC Statement—at that time.

12 **3. VALUE OF THE CASE**

13 **WSI’s Position**

14 Generally, this case can be divided conceptually into two sets of claims—those involving
 15 Amazon’s use of the WILLIAMS-SONOMA mark and those involving Amazon’s Rivet line of
 16 furniture, which includes both trademark and design patents claims. With respect to the
 17 trademark and service mark claims, the traditional remedy is injunctive relief and WSI seeks an
 18 injunction preventing Amazon from continuing infringing use of its marks. With respect to
 19 monetary damages, fact discovery is ongoing and the Parties have not engaged in expert
 20 discovery regarding the damages to which WSI would be entitled were it to succeed on each of its
 21 claims.

22 The below case assessment is based on information currently known by the Parties and is
 23 provided at the Court’s request in order to provide a better understanding of the value of the case.
 24 The Parties reserve the right to alter their assessments as the case progresses and new information
 25 is discovered.

26 **A. WILLIAMS-SONOMA Brand-Related Claims**

27 WSI asserts that Amazon is willfully applying spurious copies of the WILLIAMS-
 28 SONOMA mark on the Amazon.com platform and in online advertising in order to create the

1 impression in the mind of the consumer that there is an authorized WSI retail outlet on the
 2 Amazon.com platform. WSI alleges this causes consumer confusion as to the source, affiliation
 3 or authorization of the online retail services provided by WSI and provided by Amazon. WSI
 4 further asserts Amazon's unauthorized retail services do not maintain WSI's standards and dilute
 5 WSI's famous WILLIAMS-SONOMA mark. Further, WSI asserts Amazon's unauthorized use
 6 of WSI's WILLIAMS-SONOMA mark to advertise, promote, and offer competing retail services
 7 is a willful counterfeit use warranting up to \$2,000,000 in statutory damages per counterfeit mark
 8 per type of good sold, or treble damages and profits, attorneys' fees, and costs.

9 With respect to injunctive relief, WSI seeks to enjoin Amazon from continuing to use the
 10 WILLIAMS-SONOMA mark in a misleading manner that implies or creates the impression of
 11 any connection or affiliation between the online retail services provided by WSI and the online
 12 retail services provided by Amazon in connection with WILLIAMS-SONOMA branded products
 13 sold on the Amazon platform. For instance, WSI seeks an injunction preventing Amazon from
 14 aggregating numerous product listings under the prominent heading "Shop Williams-Sonoma" or
 15 "Williams Sonoma," from stating products are "by Williams-Sonoma," from obscuring the
 16 products are sold by third party sellers, and from employing sponsored search engine ads
 17 describing the Amazon WILLIAMS-SONOMA presence as an "Official Site."

18 With respect to the Court's question about the number of products sold, Amazon has
 19 produced sales data that it says show the total number of sales and profit to Amazon. The parties
 20 are prepared to discuss the sales data, which Amazon designated highly confidential, at the case
 21 management conference. The information provided by counsel and in Amazon's production has
 22 not yet been confirmed during deposition, but WSI has indicated to Amazon that if Amazon
 23 provides a sworn statement detailing certain information provided in this document, it will
 24 evaluate whether or not a deposition is necessary.

25 **B. Rivet-Related Claims**

26 WSI also asserts that Amazon has engaged in a campaign of copying WSI's West Elm
 27 furniture by selling knock-offs of several patented furniture designs, even going so far as to
 28 employ the same product name for two copied products. WSI asserts Amazon willfully infringed

1 each of WSI's asserted patents warranting enhanced damages. Amazon has provided sales data
 2 for each accused product. WSI will be prepared to discuss the sales data, which Amazon has
 3 designated highly confidential, at the case management conference. Again, this information has
 4 not yet been confirmed during deposition or verified by sworn statement.

5 WSI alleges a pattern of behavior by Amazon in this case amounting to unfair competition
 6 and intends to present that pattern to the jury absent a comprehensive resolution of the claims.
 7 Accordingly, WSI is not willing to dismiss its Rivet-related claims piecemeal.

8 *Amazon's Position*

9 To date, Amazon has produced more than 37,500 pages of documents, and Amazon
 10 witnesses have given more than 15 hours of 30(b)(6) deposition testimony. To prepare this case
 11 for trial, the parties must still complete document discovery, take fact depositions, and engage in
 12 expert discovery—in addition to likely summary judgment and other motion practice. But the
 13 parties have likely already spent more on attorneys' fees to date than this case is worth. Based
 14 on documents that Amazon produced in discovery, WSI itself has previously calculated
 15 Amazon's total revenue from sales of the Rivet products at issue during the relevant time period
 16 as under \$200,000. Revenue from total sales of WILLIAMS-SONOMA branded products on
 17 Amazon.com during the relevant time period is under \$950,000, with profits being far less.

18 This is a straightforward commercial dispute that should be addressed on commercial
 19 terms. WSI does not have the right to control whether its genuine goods are resold by third
 20 parties (the sale of counterfeit goods is not at issue), or to control the manner in which Amazon
 21 displays or arranges those third-party listings. Amazon is willing to discuss reasonable
 22 commercial accommodations for WSI's stated concerns. But it does not make sense for either
 23 party to spend millions of dollars on attorneys' fees in a case about a relatively small number of
 24 sales. And it certainly does not make sense for the parties to litigate an entire patent case over
 25 919 units of circular "orb" chairs and 94 units of other home furnishings, simply because WSI
 26 wants the trademark claims to which those patent claims are yoked to be appealed to the Federal
 27 Circuit rather than the Ninth Circuit. This case is not worth the candle, it is not worth the Court's
 28 or the parties' time and resources, and it should be put on a path to resolution now.

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4 Dated: January 3, 2020

ORRICK, HERRINGTON & SUTCLIFFE LLP

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By: /s/ Annette L. Hurst
ANNETTE L. HURST

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Attorney for Plaintiff Williams-Sonoma, Inc.

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I, Annette L. Hurst, am the ECF user whose ID and password are being used to file this
Joint Case Management Statement. In compliance with General Order 45, X.B., I hereby attest
that Daralyn J. Durie has concurred in this filing.

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Dated: January 3, 2020

DURIE TANGRI LLP

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By: /s/ Daralyn J. Durie
DARALYN J. DURIE
Attorney for Defendant Amazon.com, Inc.

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CERTIFICATE OF SERVICE

I, Annette L. Hurst, certify that on the 3rd day of January 2020, I caused the foregoing document to be electronically transmitted to the Clerk of the Court using the ECF System for filing and transmittal of a Notice of Electronic Filing to the ECF registrants and attorneys of record in this case.

/s/ Annette L. Hurst
ANNETTE L. HURST